



Delta Natural Gas Company, Inc.

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August 28, 2012

RECEIVED

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PUBLIC SERVICE  
COMMISSION

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
P O Box 615  
Frankfort, KY 40602

RE: CASE NO. 2012-00136

Dear Mr. Derouen:

In compliance with the Commission's Order dated August 24, 2012 in the above-styled case, enclosed is the original and ten copies of the following revised tariff sheets:

PSC NO. 12 TENTH REVISED SHEET NO. 2  
PSC NO. 12 TENTH REVISED SHEET NO. 3  
PSC NO. 12 TENTH REVISED SHEET NO. 4  
PSC NO. 12 TENTH REVISED SHEET NO. 5  
PSC NO. 12 FIRST REVISED SHEET NO. 1

The revised tariff sheets reflect the approved changes to Delta's Pipe Replacement Program ("PRP") Rider as approved in Case No. 2012-00136. Please return one stamped accepted copy showing the effective date pursuant to 807 KAR 5:011 to Delta for its files by either United States mail or email to [cking@deltagas.com](mailto:cking@deltagas.com).

If you have any questions, please contact me.

Sincerely,

Connie King  
Manager – Corporate & Employee Services

**CLASSIFICATION OF SERVICE – RATE SCHEDULES  
 RESIDENTIAL**

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

AVAILABILITY

Available for use by residential customers.

CHARACTER OF SERVICE

Firm - within the reasonable limits of the Company's capability to provide such service.

RATES

|                   | Base Rate   | + | Gas Cost<br>Recovery Rate<br>(GCR) ** | = | Total Rate      |
|-------------------|-------------|---|---------------------------------------|---|-----------------|
| Customer Charge * | \$ 20.90000 |   |                                       |   | \$ 20.90000     |
| All Ccf ***       | \$ 0.43185  |   | \$ 0.81172                            |   | \$ 1.24357 /Ccf |

(R)

\* The customer charge includes \$0.20 collected under Delta's Energy Assistance Program Tariff Rider as set forth on Sheet No. 38 of this tariff.

\*\* The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Ccf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

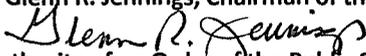
\*\*\* Residential rates are also subject to the "Conservation/Efficiency Program Cost Recovery Component (CEPRC)" of .01173/Ccf. The CEPRC is an adjustment determined in accordance with the Conservation/Efficiency Program Cost Recovery as set forth on Sheets 39 – 42 of this tariff.

Residential rates are also subject to a Pipe Replacement Program charge of \$.47, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

DATE OF ISSUE: August 28, 2012

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ISSUED BY: Glenn R. Jennings, Chairman of the Board, President and CEO



Issued by Authority of an Order of the Public Service Commission of KY in Case No. 2012-00136 dated August 24, 2012

**CLASSIFICATION OF SERVICE – RATE SCHEDULES  
 SMALL NON-RESIDENTIAL\***

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

AVAILABILITY

Available for use by small non-residential customers.

CHARACTER OF SERVICE

Firm - within the reasonable limits of the Company's capability to provide such service.

RATES

|                 | Base Rate   | + | Gas Cost<br>Recovery Rate<br>(GCR) ** | = | Total Rate      |
|-----------------|-------------|---|---------------------------------------|---|-----------------|
| Customer Charge | \$ 31.20000 |   |                                       |   | \$ 31.20000     |
| All Ccf ***     | \$ 0.43185  |   | \$ 0.81172                            |   | \$ 1.24357 /Ccf |

(R)

TERMS AND CONDITIONS

For a customer that is utilizing transportation service and has under deliveries of transportation gas to Delta's system, and/or requests to revert to the Small Non-Residential or Interruptible Service rate schedule, Delta may require a written contract providing for a continuance of service under the Small Non-Residential or Interruptible Service rate schedule for a minimum term of twelve months beginning with the date service reverts to the Small Non-Residential or Interruptible Service rate schedule.

\* Meter no larger than AL425

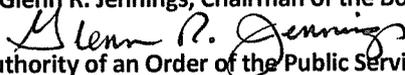
\*\* The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Ccf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

Small Non-Residential rates are also subject to a Pipe Replacement Program charge of \$0.91 as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

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**CLASSIFICATION OF SERVICE – RATE SCHEDULES  
LARGE NON-RESIDENTIAL\***

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

AVAILABILITY

Available for use by large non-residential customers.

CHARACTER OF SERVICE

Firm - within the reasonable limits of the Company's capability to provide such service.

RATES

|                      | Base Rate    | + | Gas Cost<br>Recovery Rate<br>(GCR) ** | = | Total Rate      |
|----------------------|--------------|---|---------------------------------------|---|-----------------|
| Customer Charge      | \$ 131.00000 |   |                                       |   | \$ 131.00000    |
| 1 - 2,000 Ccf        | \$ 0.43185   |   | \$ 0.81172                            |   | \$ 1.24357 /Ccf |
| 2,001 - 10,000 Ccf   | \$ 0.26696   |   | \$ 0.81172                            |   | \$ 1.07868 /Ccf |
| 10,001 - 50,000 Ccf  | \$ 0.18735   |   | \$ 0.81172                            |   | \$ 0.99907 /Ccf |
| 50,001 - 100,000 Ccf | \$ 0.14735   |   | \$ 0.81172                            |   | \$ 0.95907 /Ccf |
| Over 100,000 Ccf     | \$ 0.12735   |   | \$ 0.81172                            |   | \$ 0.93907 /Ccf |

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TERMS AND CONDITIONS

For a customer that is utilizing transportation service and has under deliveries of transportation gas to Delta's system, and/or requests to revert to the Large Non-Residential or Interruptible Service rate schedule, Delta may require a written contract providing for a continuance of service under the Large Non-Residential or Interruptible Service rate schedule for a minimum term of twelve months beginning with the date service reverts to the Large Non-Residential or Interruptible Service rate schedule.

\* Meter larger than AL425

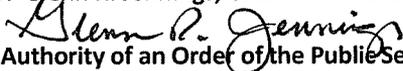
\*\* The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Ccf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

Large Non-Residential rates are also subject to a Pipe Replacement Program charge of \$7.05, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

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**CLASSIFICATION OF SERVICE – RATE SCHEDULES  
 INTERRUPTIBLE SERVICE**

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

AVAILABILITY

Available for use by interruptible customers.

CHARACTER OF SERVICE

Interruptible - within the reasonable limits of the Company's capability to provide such service.

RATES

|                      | Base Rate    | + | Gas Cost<br>Recovery Rate<br>(GCR) ** | = | Total Rate      |
|----------------------|--------------|---|---------------------------------------|---|-----------------|
| Customer Charge      | \$ 250.00000 |   |                                       |   | \$ 250.00000    |
| 1 - 10,000 Ccf       | \$ 0.16000   |   | \$ 0.81172                            |   | \$ 0.97172 /Ccf |
| 10,001 - 50,000 Ccf  | \$ 0.12000   |   | \$ 0.81172                            |   | \$ 0.93172 /Ccf |
| 50,001 - 100,000 Ccf | \$ 0.08000   |   | \$ 0.81172                            |   | \$ 0.89172 /Ccf |
| Over 100,000 Ccf     | \$ 0.06000   |   | \$ 0.81172                            |   | \$ 0.87172 /Ccf |

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Special Conditions - All customers having a connected load in excess of 2,500,000 Btu input per hour may be required to enter into an Interruptible Sales Agreement. Determinations of those customers so required shall be based on peak day use as well as annual volume and shall be at the sole discretion of the Company.

Any customer required to enter into an Interruptible Agreement shall be permitted to purchase or transport gas under the Interruptible Rate Schedule as set forth on Sheet No. 5. Gas requirements, minimum charges and other specific information shall be set forth in the Agreement.

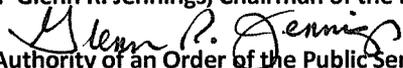
Interruptible rates are also subject to a Pipe Replacement Program charge of \$35.20, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

\*\* The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Ccf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

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**CERTIFICATION OF SERVICE  
RATE SCHEDULES**

PIPE REPLACEMENT PROGRAM ("PRP") RIDER

APPLICABILITY

Applicable to all customers receiving service under the Company's Rate Schedules, Residential, Small Non-Residential, Large Non-Residential and Interruptible Services.

CALCULATION OF PIPE REPLACEMENT RIDER REVENUE REQUIREMENT

The PRP Rider Revenue Requirement includes the following:

- a. PRP-related plant in service not included in base gas rates minus the associated PRP-related accumulated depreciation and accumulated deferred income taxes;
- b. Retirement and removal of plant related to PRP construction;
- c. The weighted average cost of capital on the net rate base is the overall rate of return on capital authorized in the Company's latest base gas rate case, grossed up for federal and state income taxes and PSC assessment;
- d. Depreciation expense on the PRP-related plant in service less retirement and removals;
- e. Reduction for savings in operating and maintenance expense;
- f. Increased property tax expense on the PRP-related plant in service.

(N)  
(N)

PIPE REPLACEMENT PROGRAM FACTORS

All customers receiving service under Delta's Residential, Small Non-Residential, Large Non-Residential and Interruptible Service Rate Schedules shall be assessed a monthly charge in addition to the Customer Charge component of their applicable rate schedule that will enable the Company to complete the pipe main replacement program.

(N)  
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The PRP Rider will be updated annually, in order to reflect the impact on the Company's revenue requirements of net plant additions as well as a balancing adjustment for the preceding program year. Such adjustment to the Rider will become effective with meter readings on and after the first billing cycle of May, and will reflect the allocation of the required revenue increase based on the revenue distribution approved by the Commission.

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